

# Transformation Through Innovation

PMI is committed to a smoke-free future, which is why we are transforming our company to be the global leader in innovative reduced-risk products (RRPs).<sup>(1)</sup> We know quitting is the best option, but we want to provide better alternatives to smoking for those who don't quit. Through heated tobacco and precision vaping products that leverage state-of-the-art technology and scientific substantiation, we aim to deliver life-changing benefits to all adult smokers. The total estimated number of IQOS users reached 9.6 million in the fourth quarter of 2018. Importantly, nearly 70% of the total – an estimated 6.6 million users – have already stopped smoking by switching to IQOS, while the balance of three million are in conversion.

## IQOS 2.4 PLUS

Intuitive, user-friendly design.

The start of it all. *IQOS 2.4 Plus* was born from the need to deliver the most satisfying heated tobacco experience free from fire, smoke and ash in a way that could be made available to all smokers.



## IQOS 3

All new, elegant and intuitive.

*IQOS 3* uses the latest HeatControl™ Technology that delivers the best heated tobacco experience. Its compact and ergonomic design is perfect for all tobacco moments, whatever the occasion.



## IQOS 3 MULTI

Compact, all-in-one design.

The all-in-one, lightweight, pocket-sized design of the new *IQOS 3 MULTI* makes it perfect for use on the go. It allows for sequential tobacco sessions with no charging time between enjoying *HeatSticks/HEETS*.



## IQOS MESH

Next generation e-vapor.

The *IQOS MESH* is our e-vapor product that uses a new and satisfying approach to vapor. Unlike regular e-cigarettes, *MESH* cartridges are manufactured, assembled, pre-filled, and pre-sealed in our European production facilities.



<sup>(1)</sup> For a definition of "reduced-risk products" see page 1 of the Form 10-K.

